

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4465-01
Bill No.: Perfected HB 1788
Subject: Licenses - Motor Vehicle, Motor Vehicles, Revenue Dept.
Type: Original
Date: March 11, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Highway	\$578	\$5,625	\$5,625
Total Estimated Net Effect on <u>All</u> State Funds	\$578	\$5,625	\$5,625

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Cities	\$938	\$1,125	\$1,125
Counties	\$625	\$750	\$750
Local Government	\$1,563	\$1,875	\$1,875

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation** and the **Missouri Highway Patrol** assume no fiscal impact to their organizations.

Officials from the **Department of Revenue** assume there are approximately 50,000 VFW members, based on information received from the State VFW Headquarters. It is assumed that approximately 1% of their 50,000 members will apply for this new plate type. The Motor Vehicle Bureau will require 1 Clerk Typist II for 40 hours of overtime to process these new types of plates. The MVB will also incur costs for policies, procedures and postage in amount of \$1,620 and \$2,390 for plates and tabs.

To implement this legislation, the Department of Revenue will require additional funds. In the past, the programs included in this legislation have been paid for with highway funds. See Mo. Const. Article IV, Section 30(b) and Section 226.200.2, RSMo 2000. This year, however, highway funds may not be available for this purpose as a result of legislation enacted by the General Assembly in 2000 that limits the use of highway funds.

This limitation is found in Section 226.200.3, RSMo. It places a cap on the highway funding available to state departments other than the Department of Transportation. The total amount of highway funds appropriated to these other state departments (including the Department of Revenue) cannot exceed the total amount of their fiscal year 2001 highway appropriations. This cap limits the highway funds that will be available for the implementation of this legislation.

If highway funds are not available, then another source of funding must be identified to pay for the cost of implementing this legislation.

Oversight assumes this proposal would result in the issuance of approximately 500 new special plates as estimated by the Department of Revenue. Oversight assumes the costs of this proposal to DOR other than plates and tabs would be nominal and could be absorbed with existing resources. If significant unexpected costs are incurred or if several new special license plate proposals are enacted, the Department of Revenue could request additional resources through the normal budget process.

ASSUMPTION (continued)

REVENUE IMPACT

FY03
$$500 \times \$15 = \$7,500 / 12 \times 10 = \$6,250 \times 75\% = \$4,688 \text{ Highway}$$
$$\times 15\% = \$938 \text{ Cities}$$
$$\times 10\% = \$625 \text{ Counties}$$
FY04 & FY05
$$\begin{aligned} \$7,500 \times 75\% &= \$5,625 \text{ Highway} \\ &\times 15\% = \$1,125 \text{ Cities} \\ &\times 10\% = \$750 \text{ Counties} \end{aligned}$$

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
HIGHWAY FUND			
<u>Revenues</u> - Special license plate fees	\$4,688	\$5,625	\$5,625
<u>Cost</u> - Department of Revenue			
Plates and tabs	(\$2,390)	\$0	\$0
Policies, procedures, and postage	<u>(\$1,620)</u>	<u>\$0</u>	<u>\$0</u>
Total cost	<u>(\$4,010)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>\$578</u>	<u>\$5,625</u>	<u>\$5,625</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
POLITICAL SUBDIVISIONS			
<u>Revenues</u> - Special license plate fees			
Cities	\$938	\$1,125	\$1,125
Counties	<u>\$625</u>	<u>\$750</u>	<u>\$750</u>
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>\$1,563</u>	<u>\$1,875</u>	<u>\$1,875</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would create a special license plate for members of the Veterans of Foreign Wars.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
Missouri Highway Patrol

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director
March 11, 2002